464 Europeans. For the latter the company provides many amenities.
382 In the town of Awali there is a cinema, a club and other recreational
511 facilities. There is a Commissary for the supply of foods and goods
466 unobtainable elsewhere in Bahrain; a school for American and European children with qualified teachers and hospitals for the various nationalities employed by BAPCO. A cinema, swimming bath and mosque are also being constructed in the Arab Camp, and a swimming bath and cinema in the Indian and Pakistani camp at Rifaa. The company also maintains dispensaries in some of the villages and has built three schools for the Bahrain Government. There is cordial co-operation between the Bahrain Government and BAPCO in all fields of social service and although it may seem strange that an oil company should be encouraged to occupy itself with so many activities not directly connected with the production of oil, yet it is now recognised in the Middle East that it is an obligation of oil companies not only to work for their shareholders but also for the benefit of the people of the country from which they derive their profits.

471 In 1940 a Supplementary Agreement was signed between the Ruler
382 and the Bahrain Petroleum Company in which the latter received an extension to its concession including all lands, shoals, reefs, waters and submerged lands of "the present and future domains" of the Ruler of Bahrain.

315 It is a comparatively rare thing for people visiting Bahrain to see the actual oil which has made the Islands famous, gone are the days when to "strike oil" meant that a huge gusher of oil would leap skywards covering everything about it with what is termed, in the hackneyed phrase of the journalist, "black gold." Today the drilling of a well is normally a tidy process ; when oil is struck the drillers have complete control over its flow and quickly cap the well with a "Christmas Tree," the nickname for the mass of taps and valves which are placed over the well head. From the well the oil is piped to the Refinery and then to the storage tanks at Sitra. But in every part of its processing little is seen of the oil except by the workers in the laboratories.

433 The oil industry today is the most important factor in Bahrain's economy and is recognised as such by the Government and the people of the country.

CHAPTER VI

JEWELS OF THE DEEP

228 Pearl diving is probably the oldest industry in Bahrain and has been the reason why an otherwise small and comparatively unproductive group of islands has been the scene of so many bitter wars and has been over-run by so many invading armies. From earliest times Bahrain has been famous for its pearls ; in an Assyrian inscription of some 2000 B.C. a parcel of "fish eyes" from Dilmun is believed to be

471 228 The financing of a pearl boat is a complicated affair. Formerly most boats were owned by their captains, but today the majority of the larger boats belong to land merchants. In cases where boats belong to captains but are financed by land merchants, the latter make a profit of about 10%, but in cases where the merchants both own and provision the boats they receive 20% of the profits. After deducting costs, the remainder of the profit is shared in fixed proportions, the nakhuda receiving five parts, the diver two and the Saib one.

437 228 When the nakhuda sells the catch he must always be accompanied by two members of the crew, to see fair play. Sales are carried out in an unusual way. If the nakhuda and the purchaser or broker do not want the audience to know the amounts offered for the pearls, and as the sales take place in the quarter of the pearl brokers there are always interested bystanders, they spread a cloth over their hands and bargain by a sort of deaf and dumb language. Once they have agreed on the price the nakhuda must obtain the consent of the two witnesses before the sale is considered valid. The value of the pearls is established in 804 a special way. In the case of ordinary pearls, they are collected in 435 great numbers, sorted for size by a set of graded sieves, and each group 228 is weighed and counted and their value in "chows," a form of measurement derived from the weight of the pearls, is discovered from a book printed for the purpose. Once a pearl or pearls have been assessed at so many chows, the question of the value per chow is settled by bargaining, the price per chow depending on the average shape, texture and colour in the case of bunches of pearls or in single pearls. In the case of pairs of pearls their value depends greatly on how well they are matched. Seed pearls, the smallest form of pearls, are sold entirely by weight, while a single pearl has been known to sell for as much as £15,000, as in the case of the Bahrain pearl which was eventually bought by a well known American lady.

228 433 It is very difficult to estimate the value of the Bahrain catch in past years, the figure for 1833 was estimated at £240,000, £400,000 in 1835 and £303,941 in 1896. In more recent years the Bahrain Government has given official figures which outline the history of the industry during the past quarter of a century. In 1833 it was also said that there were 1,500 boats leaving Bahrain annually for the pearl banks, and in 1896, 900. The largest number of Bahrain pearling boats has been given as 2,000 but this figure is probably an exaggeration. That the industry has declined is proved by the figures, in 1930, 509 boats manned by 19,300 men found pearls worth Rs. 2,125,000, while in 1948 there were only 83 boats with a crew of 2,000 and finding a catch worth Rs. 855,000. Although the numbers of boats and divers decreased by about 6 times and 9 times respectively it is noticeable that the catch only decreased in value by 2½ times and in 1950 the catch was worth Rs. 1,650,000, more than half of the 1930 figure.

228 178 433 The reason for the decline in the industry, which started in 1930, was the severe trade depression which began in that year and which reduced the wealth of those in Europe who were in the habit of buying

pearls, and also the large scale manufacture of cultured pearls in Japan. It was indeed lucky for Bahrain that oil was found in 1932, or else she would have seen her principal industry slowly decline with nothing with which to replace it. Once the oil industry was established, however, it in its turn served to precipitate the decay of the older industry by providing employment with better conditions and higher pay than were to be found on the pearl banks. The decline had also been unwittingly aided by the reforms of the late Ruler, Shaikh Hamed, who, on becoming Deputy Ruler in 1923, found the working conditions of the industry in a shocking state. The pearl banks were productive and much money was being made but little of it went to the divers, many of whom had involved themselves in a form of financial slavery to the nakhudas. Divers were given advances by the captains before the season, to provide for their families while they were away at sea, and at the end of the season, while the sales of the pearls, were being carried out. The eventual result was that the captains gave advances far in excess of the money due to the divers at the end of the season and to repay these loans the divers were forced to work for the same captain in the following season. But each year the advances were again in excess of the divers' earnings and so they got deeper and deeper into debt to the captains. At the same time the latter were indebted to shore merchants for supplies, for which they were charged high rates of interest, although this was contrary to the Sheria Law. The captains passed this interest on to the divers, who thus paid a minimum of 50% of their original debt each year. Diving debts were bequeathed, sons of divers whose fathers died owing money to captains were forced to work for them, and a diver, if he became too old to work, was only released from diving if he was replaced by his son or some other relation. In addition to this, indebted divers were often made to work on land for their creditors, or were handed over as workers to merchants to whom the nakhuda owed money.

228 178 433 452 228 178 466

Shaikh Hamed was determined to abolish all these practices and was supported by some of the more progressive Arabs and the Shiite and Sunni judges, who disapproved of the whole system. Amongst the bitterest opponents of the reforms were the divers themselves who were persuaded by the nakhudas and merchants into believing that they were going to lose by them. The reforms were, however, introduced and resulted in fixed advances, the amounts of which were announced annually by proclamation, the restriction of interest on advances, and all advances in excess of the legal amounts to be unreclaimable in court. The divers were also entitled to seek other work on the condition that they repaid a certain proportion of their diving debt each year. Many thousands of debts were reduced and the special diving court, which had favoured the captains and merchants, was abolished and all diving cases were heard by the ordinary courts. Finally, the debts of a diver died with him and could not be inherited by his heirs. The result of these reforms was that the industry, although reduced in size was put on a much sounder footing and its workers were not forced to dive but did so because they wanted to.

228 178 452 185 [698]

Bahrein produces dates of very good quality, though inferior to the Iraqi and especially to the Persian variety known in the United States as the Bassorah date. The entire date production of Bahrein is consumed locally, either fresh or dried, or in a powder which is used like wheat flour for the making of bread, the common food of the rich.

The economic value of the date palm does not stop with the fruit. All other parts of the palm yield products of practical value to Bahreinis; their life would be impossible without it. The trunk furnishes timber for houses and boats; the midribs of the leaves go into crates and furniture; the leaf bases are used for fuel; the small leaves are used in basketry, the fiber for cordage and packing, and the fruit stalks for rope and fuel.

Under the shade of their palm trees and around their springs, the Bahreinis live their relatively simple life, producing some vegetables, weaving a few shawls, making sailcloth or reed mats, and breeding their donkeys. The Bahrein donkeys, or "Bandari," were bought by donkey lovers for their endurance, their height, and other celebrated qualities.

The main occupations of the townspeople are commercial and maritime, mostly fishing and handling the transit shipments which are one of Bahrein's largest sources of revenue. The greatest economic asset of the islands, however, despite the value of the recently discovered oil, is still the pearl fisheries.

PEARL FISHING

The chief source of income of the islands before the discovery and exploitation of oil reserves in the nineteen thirties was pearl fishing. Before the rise of competition from the Japanese pearl fisheries and worldwide economic crisis of 1930, the industry employed more than 20,000 persons annually, and revenue from the pearls, which were exported principally to Paris and London, amounted to about £2,000,000[1] annually. Single pearls often bring enormous prices; for example, the most beautiful

1. Except where otherwise specified, pounds referred to throughout are English pounds sterling.

6:Faroughy H-5 (no date)1951 MZ2 Bahrain MZ2

pearl found in the 1929 season was sold to one of the four leading dealers for 1,500,000 francs, or about $75,000.[1] The industry at times has produced as much as $8,000,000 worth of pearls, to which should be added about $100,000 in revenue from mother-of-pearl shell which is highly valued in the Western world, though of less interest to Orientals. The real profits, however, begin with the Arab and Hindu dealers in Bombay, whence the pearls are shipped to the jewel markets east and west, at each exchange acquiring a greater value and thus ministering to human ostentation.

The Big Four among the pearl dealers were formerly the Houses of Rosenthal, Pack, Mohammad Ali and Bienenfeld, all of Paris,[2] but after the beginning of World War II the market moved to Bombay.

The banks that are fished most often are the shallow waters of the Arabian coast and those that lie between the twenty-fourth and twenty-seventh parallels north, and the fiftieth and fifty-fifth east. The most famous are situated between the islands of Sir Beni Yas and Shiltaye.

The pearl may be described as the result of a kind of "occupational disease" of the oyster, which in opening its shell to obtain food often takes in gritty particles which cause irritation. Nature provides a remedy in the form of a secretion that covers the offending particle with a smooth coat of nacre. Once started, the process continues indefinitely, each year adding to the size of the pearl which results. Many kinds of molluscs of both fresh and salt water varieties produce pearls of some kind, varying greatly in shape, size, color, and commercial value. The most prolific of the pearl producing oysters in the Gulf, the *Mahharahs*, grow to about two inches in diameter, and are collected when three years old. Large pearls are called "Unions"[3]

1. We are not far from the time of Pliny, when the price of Indian and Arabian pearls was second only to that paid for the *adamas*, or diamond.
2. It is reported that some Gulf pearls sold to Cartier were purchased by the Duchess of Windsor for $20,000, and a single pearl of the same origin was finally sold to Barbara Hutton for $15,000.
3. Cf.: If all the world were but one ring
   Ormuz should the union bring.

30: Gt. Britain G-5 (ca. 1918) 1920 MJ1 Saudi Arabia
BAHRAIN MZ2

228 pearl-trade during the war. Sea fisheries are also extensive, the fish being taken in nets and in tidal weirs or enclosures (*hadhrahs*) made of reeds, some of which surround large areas in the shallow waters round the coasts; 500 lb. of fish a day were supplied without 241 difficulty to the Indian Expeditionary Force in 1914. Agriculture is carried on by irrigation, the chief products being fruit (dates, citrons, limes, melons, figs, &c., but few of the first quality), lucerne, and a few vegetables; a great belt of date-groves on Bahrein Island runs S. from Manāmah to the village of Būri, a distance of about 231 7 miles. Domestic animals include about 2,000 donkeys, less than 100 horses owned by the Sheikh and his family, about 100 camels, chiefly used in carrying water to Manāmah for sale, and a small but fine local breed of cattle, in high repute for their milking qualities. Of the donkeys, some 200 are of the famous breed imported from Hasa, from 12 to 13 hands, and white in colour.

433 The chief handicrafts are sail-making, weaving of abbas, lungis, and checked sheeting, and the manufacture of mats from Hasa reeds. Palgrave described the *Bahārinah* as excelling in the crafts of the weaver, the tailor, the dyer, and the worker in metal, wood, or leather. Boat-building, with timber imported from India, employs about 200 carpenters; Bahrein builders can turn out an excellent forty-ton boat in less than a month. Many boats are sold to purchasers in El-Qatar and Oman.

504 Trade at the port of Manāmah was for years hindered by the unsatisfactory arrangements for handling cargo, distribution being 439 delayed, and goods left to deteriorate without any proper protection. In 1910 the control was given to a European, but in the following year native sentiment demanded native control, and two Arabs were appointed, with lamentable results. Since then matters have improved; a Hindu has been placed in charge, and the construction of a jetty and storage-shed has modified the worst of the [651] former defects. The Sheikh is entitled by treaty to an *ad valorem* duty of 5 per cent. on merchandise. Bahrein is the principal market for the pearl-industry, the export of pearls in a good year attaining about £2,000,000. But it is also an important emporium for the east coast of Arabia, distributing merchandise from India and from countries bordering on the Persian Gulf, to El-Qatar, Qatīf, and 'Oqair, from which last two ports goods are carried into the oases of Hasa and Qatīf, and beyond into southern Nejd. This local trade is carried in native boats without manifests, so that exact statistics cannot be obtained.

439 The total average imports of Manāmah for the three years 1911–14 amounted to £2,061,038, and exports £2,106,766. During the

nama, Muharraq and Hedd and the 3 villages of East and West Rafaa and Sakhir was less than 1 per cent.

Social Economy

Prior to the opening of the Bahrain oil fields, the economy of the islands was based upon pearl fishing and the transshipment of goods between Iran, India and other countries and the neighboring Arabian ports. The waters of the Persian Gulf contain famous pearl fishing banks, and, since ancient times, Bahrain has been recognized as the traditional center of the industry. It constituted the principal source of wealth for centuries, but it reached a low level in the 1920s, due in part to the competition of Japanese cultured pearls in the world markets. Early records are nonexistent, but the former Bahrain pearl fleets probably consisted of 600 to 1,000 vessels. The number has declined progressively: only 83 departed for the banks in 1950. In that year, about 2,000 Bahrainis were engaged in pearl fishing during the season from mid-April to October, undoubtedly a fraction of the total employed when the demand for pearls was at its height.

In previous decades, dhow building also was one of the major industries of Bahrain, but its decline has paralleled that of the pearl fisheries. Nine boats were constructed in 1949, as against 100 reported in 1928-29.

Today, oil is the foundation of Bahrain's prosperity. The royalties derived from the industry not only have bolstered the declining resources of the government, but have made possible the expansion of public works and social services. Operations are conducted by the Bahrain Petroleum Company, Ltd., which holds long-term concessions from the Sheikh of Bahrain for the development of the petroleum resources of the islands. Oil was discovered in the Jabal ad Dukhan region, near the center of Bahrain Island, in 1932, and production started in 1934. The proven reserves of this field are estimated in the neighborhood of 200 million barrels. The company also operates a